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Turkey

Grain and Feed

TMO Grain Procurement Prices 2005

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Report Highlights:

The Turkish Grain Board (TMO) announced 2005 grain procurement prices. MY 2005 procurement prices are lower than the procurement prices in MY 2004. TMO does not intend to procure as much grains as it did last year with these lowered prices. The GOT announced premiums for grains in an earlier announcement. The amount of premium was announced as TL 30,000 per kilogram for wheat. However, the amount of premium for other grains has not yet been announced.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Ankara [TU1]
[TU]

Turkish Grain Board (TMO) announced MY 2005 procurement prices for grains. MY 2005 procurement prices are lower than the MY 2004 procurement prices, despite inflation of around ten percent during the last twelve months. TMO announced a procurement price last year in the beginning of the harvest and raised these prices for some grains later in August. MY 2005 TMO procurement prices are provided in the following table compared with MY 2004 procurement prices. Corn and rice prices were not announced.

Due to high procurement prices in 2004, TMO procured a relatively large amount of wheat and corn. Corn stocks remain high, and import restrictions are in place to help TMO liquidate its stocks ahead of the 2005 crop. TMO also made another recent announcement for corn sales. TMO expanded its corn sales by a deferred payment system with zero rate of interest from six months to ten months from the stocks in the Southeastern Anatolia Region (Iskenderun, Gaziantep, Batman, Diyarbakir, and Sanliurfa) silos and to eight months from all other silos. TMO corn sales prices are TL 403,000 per kilogram (\$296/ton) with the deferred payment system and TL 350,610 per kilogram (\$258/ton) with cash payment.

TMO Grain Procurement Prices for MY 2005 (YTL/Kg)
USD 1=1.36 YTL (1,360,000 TL)

Type of Grain	MY 2005	MY 2004 June	MY 2004 August
Durum Wheat			
Anatolian Durum	.360 (\$265/ton)	.392	.392
Other Durum	.350	.374	.374
Min. Procurement Price (Durum)	.273	.330	.330
Milling Wheat			
Anatolian White Hard	.350	.370	.377
Anatolian Red Hard	.350 (\$257/ton)	.370	.377
White Semi Hard	.332	.352	.356
Red Semi Hard	.332	.352	.356
Other (Red or White)	.300	.320	.325
Min. Procurement Price (Feed Wheat)	.273 (\$201/ton)	.290	.300
Barley			
White	.248	.264	.275
Black and blue	.234	.250	.260
Rye	.234	.250	.260
Oats	.245	.278	.285
Min. Proc. Price (Barley, Rye, Oats)	.215	.225	.230

As can be seen from the table above, all grain prices are lower in MY 2005 compared to MY 2004 prices – this is an effort to reduce the financing of large stocks by the GOT. Even wheat prices are about the same level or lower with the recently announced premium. The GOT announced a premium for wheat, barley, rye, oats, and paddy rice producers. Farmers will benefit from the premium; regardless they sell their crops to TMO, traders, or millers. Farmers must be registered farmers and must present their sales documents to the Agricultural Bank to receive the premium. The amount of premium was announced by the Prime Minister as TL 30,000 per kilogram for wheat last week, but was not yet announced for other grains. However, none of these have been published in the Official Gazette.

TMO will procure maximum of 30 MT from each registered farmer. Only 10 MT will be paid at the delivery, the remainder will be paid one month later.